

MEMORANDUM FOR:

FROM:

SUBJECT: Notes on "Issues for Discussion" for Meeting with DDA

STAT

1. Issue of Full Implementation by 1 January 1987

Attachment A shows that three extra steps would be required to fully implement in-house retirement (steps 4, 5, 6).

My comments on these steps are:

4. Replicating the CIARDS system to pay non-CIARDS retirees is something Ray Howell (OIT Working Group member) says can be done by January.
5. Developing a manual process for computing benefits and transferring data between OP and OF will be easy because the computations and exchange of data are already done now.
6. The software to compute the annuity supplement is already working in prototype form and certainly should be fully operational by January.

It seems, therefore, that there is no obvious reason not to fully implement on 1 January 1987.

2. Issue of Resource Implications

OP will need additional retirement counselors because of the increased complexity of retirement processing due to the complicated FERS system. Estimates for employees, for example, will require not only a defined benefit computation (as now) but also annuity supplement and thrift calculations. An additional person would be needed in the annuitant section because the number of annuitant cases handled by RD will grow with in-house administration as we begin to retain cases rather than send them to OPM.

Also, explaining the transfer into FERS option for all employees hired before 1984 will be a very time-consuming additional task.

The other OP resource increases are needed due to automation.

Note - I don't think all of these extra resources must be in place by 1 January 1987 in order to start full implementation. Some of the slots won't be essential as automation will not have occurred yet, and annuitant caseloads will not yet have increased. Full implementation does not need to be delayed just because some of these new slots won't be filled.



SUBJECT: Notes on "Issues for Discussion" for Meeting with DDA

3. OP or OF Certify Annuity Comp's?

A doublecheck is needed, but I don't see why it could not be within OP. OP should be capable of certifying payment. (If OP does, perhaps this would lessen OF personnel requirements listed in #2.)

4. CIARDS Participants to FERS?

The attachment D compares this to the opportunity people once had to switch from CIARDS to CSRS. I don't see this as comparable because in switching from CIARDS to CSRS a person gave up their CIARDS entitlements. If a CIARDS person transfers into FERS on 1 July 1987, all of their entitlements under CIARDS remain effective as earned through 30 June 1987. The person would maintain those entitlements and at the same time get around the age 60 mandatory retirement provision. Therefore there seems to be justification to allow transfers only into the special category.